

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 13, 1996

SUBJECT: **SB 2835 - HB 2482**

This bill, if enacted, will require that insurers, including managed care organizations and health maintenance organizations, classify obstetrician-gynecologists as primary care physicians. Patient access to an OB-GYN would not require referral from a “gatekeeper” in a managed care system. According to the Bureau of TennCare they already recognize OB-GYNs as primary care providers in some situations. However, OB-GYNs charge more than general practitioners. This bill would require insurers to allow this relationship whenever it is requested.

The fiscal impact from this bill is estimated to result in higher capitation rates paid to managed care organizations in the TennCare program to cover the higher costs of obstetrician-gynecologists rather than general practitioners. The amount of the increase to TennCare cannot be determined but is estimated to exceed \$100,000 in the long run.

The enactment of this bill will not increase state expenditures for state government health benefits because the state plan is self-insured and not subject to such regulation.

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The fiscal impact from enactment of this bill is also estimated to be an increase in expenditures to local governments. The amount of such increase cannot be determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*